

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Federal Communications Commission
Office of Secretary

In the Matter of)

North American Numbering Council)
Recommendations Regarding Local)
Number Portability Administration)

CC Docket No. 95-116

REPLY COMMENTS OF WORLDCOM, INC.

WorldCom, Inc. ("WorldCom") hereby files its reply comments in response to the initial comments submitted by other parties concerning the Public Notice released by the Commission on May 2, 1997 in the above-captioned proceeding.

I. INTRODUCTION AND SUMMARY

The Commission's Notice seeks comments on the local number portability ("LNP") recommendations adopted by the North American Numbering Council ("NANC") in its April 25, 1997 report by the Local Number Portability Administration Selection Working Group ("NANC LNP Recommendation"). WorldCom filed initial comments strongly supporting the proposals advanced by NANC in the NANC LNP Recommendation as vital to properly implement local number portability, and create the foundation for actual, effective, and lasting competition in the local exchange market.

WorldCom is heartened by the industry's overwhelming support, as evidenced in the other initial comments, for the well-substantiated NANC LNP Recommendation. Most commenters, either participants in or observers of the LNP work now underway by the seven regional limited liability companies ("LLCs"), support the LLCs and their efforts. Nonetheless, Bell Atlantic, which has been conspicuously absent from the industry's cooperative efforts to

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implement LNP, filed comments registering its opposition to several key elements of the report. Given Bell Atlantic's solitary position on this issue, WorldCom will address its reply comments primarily to the points raised in Bell Atlantic's pleading.

II. THE COMMISSION SHOULD REJECT BELL ATLANTIC'S UNFOUNDED OPPOSITION AND ADOPT THE NANC RECOMMENDATIONS ON LOCAL NUMBER PORTABILITY

WorldCom finds it difficult to understand Bell Atlantic's vehement opposition to the concept of LLCs. It is important to note that all other RBOCs are members of the LLCs in their respective regions: Ameritech, BellSouth, U S West, Southwestern Bell, Pacific Bell, and NYNEX. Indeed, even the latter RBOC -- Bell Atlantic's pending merger partner -- does not share Bell Atlantic's contrarian views, at least in practice. Unlike Bell Atlantic, NYNEX is an active, dues-paying, voting member of the Northeast LLC, and is currently involved in LLC negotiations with Lockheed Martin. WorldCom believes that Bell Atlantic's position in its comments -- generally, "we want things our way, or no way" -- is misguided, confused, and a tired relic of its monopoly heritage.

In support of its opposition to the concept of LLCs, Bell Atlantic only offers several purported observations from its own experience. As WorldCom is very active on the Mid-Atlantic Carrier Acquisition Company, L.L.C. ("MCAC"), which includes Bell Atlantic's geographic region, WorldCom can attest that each of Bell Atlantic's claims concerning the activities of MCAC is spurious.

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Bell Atlantic first reports that MCAC has "already interfered with Bell Atlantic's efforts to work with Lockheed Martin, the firm selected to be the LNPA in the mid-Atlantic states."¹ This statement is completely false for a variety of reasons.

First, WorldCom can attest that Bell Atlantic's "efforts to work with Lockheed Martin" to date have consisted largely of trying to initiate negotiations for a preferential, non-competitively neutral user agreement. Bell Atlantic itself admitted this fact publicly on March 21 in an LNP consortium meeting hosted by the Maryland Public Service Commission.² Such efforts hardly can be construed as consistent with the 1996 Act.

Second, MCAC unequivocally has not interfered in any way with Bell Atlantic's efforts to work separately with Lockheed Martin. Nor has MCAC in any way kept, or tried to keep, Bell Atlantic from obtaining generic public information needed for LNP implementation. In fact, in response to recent requests from Bell Atlantic, Lockheed Martin readily provided Bell Atlantic with confidential and proprietary technical information concerning LNP implementation. It is the policy of MCAC, and every LLC, that all users receive non-discriminatory, competitively neutral treatment from the LNP vendor under terms of a standard User Agreement, complete with uniform terms, conditions and prices for all. It is this competitively

¹ Bell Atlantic Comments at 4.

² For example, a Bell Atlantic representative admitted in the March public forum that Bell Atlantic wanted to negotiate the "best terms, prices, and conditions" for itself. This result obviously would hardly be deemed competitively neutral, as mandated by the Telecommunications Act of 1996, or the Commission's own LNP order and rules.

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neutral policy and treatment that Bell Atlantic has tried repeatedly to thwart.

Third, Bell Atlantic's statement (reserved to a footnote) that NYNEX has had no similar problems with LLCs is both a non sequitur and misleading.³ As mentioned above, NYNEX is a full and active member of the Northeast LLC, and has never given any indication of dissatisfaction with this arrangement. Bell Atlantic could be in the very same position if it decided to join the LLC in its areas. Instead, Bell Atlantic has steadfastly rejected or ignored MCAC's numerous formal and informal invitations to join the LLC.

WorldCom is also aware that Bell Atlantic once asked to be a silent observer at contract negotiations between MCAC and Lockheed Martin. MCAC declined the request, but once again invited Bell Atlantic to join MCAC so it could participate as a full party sharing in the rights and responsibilities of the LLC. In MCAC's view, contract negotiations are confidential, and the LLC bears the responsibility for them and for the pending contract. WorldCom shares MCAC's well-founded concern about allowing a third party with no responsibility to the contracting party, but with a sizeable axe to grind, to "observe" private business discussions. Such an arrangement is not the normal course of business in any industry of which WorldCom is aware, much less in such an openly adversarial environment as the one Bell Atlantic has engendered in the mid-Atlantic region.⁴

³ Bell Atlantic Comments at 4 n.9.

⁴ It should be noted that GTE joined MCAC to participate in contract negotiations after first discussing and resolving voting and other policy concerns. Those discussions were public and Bell Atlantic did have representatives present during those discussions.

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Bell Atlantic denounces MCAC in particular for not making public a draft user agreement. However, no LLC has done so, or is choosing to do, including the Northeast LLC (of which NYNEX is a member) because the draft is still pending. But the difference is that certain carriers have chosen to work with the process and to drive progress, rather than remain on the sidelines. If Bell Atlantic desires to be part of the established process, it should join the LLC and have a constructive role. Instead, Bell Atlantic has chosen a passive aggressive strategy, denouncing the engines that drive the process but not taking concrete action to ameliorate its concerns. Bell Atlantic's failure to pursue other avenues, such as filing petitions with the Maryland Public Service Commission (PSC") or the FCC against the LLC structure, or responding to MCAC's repeated invitations to discuss its policy concerns, speaks volumes about the RBOC's true motivation in the LNP implementation process.⁵

Bell Atlantic also registers its opposition to MCAC's "one-member, one-vote" policy.⁶ WorldCom submits that this method is the most democratic and reasonable voting standard available. Indeed, each and every LLC has this very same one-member, one-vote

⁵ WorldCom notes, for example, that Bell Atlantic is cutting over only a minimal number of switches (four) in the Philadelphia metropolitan statistical area ("MSA") on October 31, 1997 in order to comply with the Commission's mandatory LNP implementation schedule. Further, Bell Atlantic has indicated that it will implement LNP in both the Philadelphia and Washington, D.C. MSAs very late in the schedule, and will not be able to meet the Maryland PSC's deadline at all for the two largest LATAs in Maryland due to "technical" reasons.

⁶ Bell Atlantic Comments at 5. USTA also disagrees with the one-member, one-vote policy. USTA Comments at 2-3.

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policy. Further, despite Bell Atlantic's disparagement of a "majority rules" world of LLCs,⁷ all LLCs abide by a "super majority" vote standard, whereby one member can exercise absolute veto power. It is also perplexing that other ILECs, including GTE and Sprint Centel, are able to live with this voting policy, sometimes as a member of several LLCs.⁸ Despite Bell Atlantic's stated concerns in its comments about this voting policy, however, the RBOC repeatedly has declined MCAC's invitation to suggest any changes. Finally, WorldCom notes that nothing exists in any LLC operating agreement that in any way restricts any entity's ability to appeal LLC decisions directly to the Commission.

In its comments, Bell Atlantic urges that the NANC recommendations be adopted, with only one exception: the LLCs should be eliminated. Contrary to Bell Atlantic's view, however, the LLCs are not simply "a joint venture of CLECs" that are somehow "controlled" by Bell Atlantic's competitors.⁹ As explained above, the LLCs were set up to create democratic representation of all members, while at the same time protecting the interests of every member in the minority. Certainly the ILECs have never offered anything of comparable equity in all their years of monopoly dominance.

⁷ Bell Atlantic Comments at 5.

⁸ In fact, GTE, which has operations in Pennsylvania and Virginia, did not object to the one-member, one-vote policy. It is curious that an ILEC with operations in two states of the region joined the LLC, but the ILEC with operations in all states, and with the most to lose when LNP becomes a reality, rejects the LLC, rebuffs conciliatory attempts, and repeatedly opposes progress.

⁹ Bell Atlantic Comments at 2.

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Despite its inflammatory remarks about LLCs and the implementation of LNP, Bell Atlantic nonetheless goes on to concede that:

To date, the LLCs have conducted successful procurement for LNPA services and have handled a variety of technical and operational issues. We do not suggest that any of this work was not done impartially or should be set aside for any other reason.¹⁰

WorldCom submits that this is the very crux of the matter. Bell Atlantic cannot criticize the LLCs for supposedly biased and inequitable processes and practices, and yet in the same breath admit that the LLCs have done their jobs in an impartial fashion.

After registering its displeasure with LLCs generally, and MCAC in particular, Bell Atlantic recommends three "fixes" to the perceived problems with LLCs: federal regulations, ANSI-type oversight, and federal tariffs.¹¹ The Commission should adopt none of these recommendations.

First, the Commission should not adopt new rules to govern LNPAs (the vendors).¹² In its comments, Bell Atlantic has failed to demonstrate any compelling need for the Commission to create and enforce detailed rules for LNPA operation. Indeed, this highly regulatory proposal is rather ironic, coming from one of the undisputed champions of immediate deregulation of bottleneck monopolies.

¹⁰ Bell Atlantic Comments at 1 n.2.

¹¹ Bell Atlantic Comments at 2.

¹² Bell Atlantic Comments at 6-7.

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Second, the Commission should not require oversight by any pre-existing industry body. The LNP Working Group has devoted long hours and considerable effort to develop appropriate standards through industry-wide consensus. It is likely that Bell Atlantic only wants to move LNP oversight to another venue where it believes it has more influence over the outcome. However, the Commission has already indicated how LNP is to be accomplished, in an impartial and competitively neutral manner with active industry participation and guidance. This goal is best met through the current LNP process.

Third, the Commission should reject Bell Atlantic's call for the new administering entities to provide service via federal tariffs (again, the irony is delicious). However, neither Lockheed Martin nor Perot are common carriers, nor do they have any motive to discriminate against Bell Atlantic or in favor of any carrier. Moreover, tariffs would impose a considerable new burden on the vendors. If the NANPA is not expected or required to file tariffs, the LNPAs should not file tariffs as well.

Bell Atlantic also raises several other self-described "details" that it insists must be addressed and "further developed" by the industry or the Commission "before portability is implemented."¹³ The short answer to this final request is NO. Bell Atlantic's delaying tactics must be recognized for what they are, and should not be tolerated by the Commission.

In one final point, Cincinnati Bell states that it desires to connect to one regional

¹³ Bell Atlantic Comments at 7.

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database, rather than two.¹⁴ WorldCom understands and agrees with the rationale for this particular request, for in reality a two-region system in this area could become very difficult to administer. The Cincinnati MSA includes parts of Kentucky and Ohio; while Ohio would become part of the Midwest LLC (which is Lockheed Martin IMS), Kentucky would become part of the Southeast LLC (which is Perot). The Commission must study this issue carefully, however, to be sure that any authorized change does not unduly disrupt the implementation of LNP.

III. CONCLUSION

The Commission should adopt the NANC's recommendations on administration of LNP.

Respectfully submitted,



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¹⁴ Cincinnati Bell Comments at 3-4.

CERTIFICATE OF SERVICE

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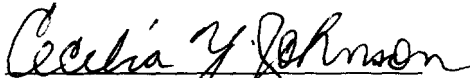
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